GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:28
ANSWERED ON:23.11.2006
MERGER OF AIR INDIA AND INDIAN AIRLINES
Acharia Shri Basudeb;Singh Shri Dushyant

Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether the Government has taken decision regarding merger of Air India(AI) and Indian Airlines(IA);

(b) If so, the details thereof ;

(c) Whether the Government has also taken decision in respect of status of employees of these two airlines after merger;

(d) If so, the details thereof; and

(e) The time by which the merger process is likely to be completed?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c), (d) and (e):- A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 28 FOR 23.11.2006 REGARDING MERGER OF AIR INDIA AND INDIAN AIRLINES.

(a), (b) and (e): The proposal for merger of the two airlines is under active consideration of the Government.The Committee on merger of Air India and Indian Airlines constituted by Air India Board has appointed M/s. Accenture India Private Limited as Consultant. The consultants have indicated that they would be able to complete the initial work relating to pre-merger activities in 10 weeks time from the date of award of their mandate, which would enable companies to prepare a detailed note to the Government for its approval.After receipt of Government approval, the necessary merger process will be taken up. The exercise is likely to be completed by the beginning of the next financial year.

(c) and (d): As regards human resources, the Government have mandated the Consultants to tailor the merger process so as to ensure that
(i) the salary, status etc. of every employee is protected; and

(ii) The integration process should be as painless as possible. The Consultants have confirmed that while devising the integration process, due care is being taken to ensure protection of current compensation, perquisites etc.